

Fiscal Service, Treasury

§ 208.3

such payments to be made by electronic funds transfer, unless a waiver is granted. This part does not apply to payments under the Internal Revenue Code of 1986.

§ 208.2 Definitions.

(a) *Agency* means any department, agency, or instrumentality of the United States Government, or a corporation owned or controlled by the Government of the United States.

(b) *Benefit payment* means a payment for a Federal Government entitlement program or for an annuity (other than a Federal retirement payment), including, but not limited to, payments for Social Security, Supplemental Security Income, Black Lung, Railroad Retirement Board Retirement and Annuity, Department of Veterans Affairs Compensation and Pension, and Worker's Compensation.

(c) *Electronic funds transfer* means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes, but is not limited to, Automated Clearing House transfers, Fedwire transfers, and transfers made at automated teller machines and point-of-sale terminals.

(d) *Federal payment* means any payment made by an agency.

(1) The term includes, but not is limited to:

(i) Federal wage, salary, and retirement payments;

(ii) Vendor and expense reimbursement payments;

(iii) Benefit payments; and

(iv) Miscellaneous payments, including but is not limited to, interagency payments, grants, loans, fees, principal, interest, and discounts related to U.S. transferable and non-transferable securities, overpayment reimbursements, and payments under Federal insurance or guarantee programs for loans.

(2) The term "Federal payment" does not apply to payments under the Internal Revenue Code of 1986.

(e) *Financial institution* means any bank, savings bank, savings and loan association, credit union, or similar institution.

(f) *Payment* means a sum of money transferred to a recipient in satisfaction of an obligation.

§ 208.3 Agency responsibilities.

(a) *Paying by electronic funds transfer.* Subject to § 208.3 (b), and notwithstanding any other provision of law, all Federal payments made by an agency to a recipient who becomes eligible for the payment on or after July 26, 1996, shall be made by electronic funds transfer. For purposes of this subsection, "becomes eligible for" means:

(1) In the case of benefit payments, the recipient applies for that type of benefit on or after July 26, 1996;

(2) In the case of Federal wage or salary payments, the recipient has a date of entry on duty with the agency on or after July 26, 1996;

(3) In the case of Federal retirement payments, a recipient applies for retirement from an agency on or after July 26, 1996;

(4) In the case of vendor payments, the payment is made under a contract or purchase order resulting from a solicitation issued on or after July 26, 1996;

(5) In the case of grants, an application is filed or renewed on or after July 26, 1996; and

(6) For all other Federal payments, as determined by the agency.

(b) *Waiver.* The head of an agency shall waive the application of subsection 208.3 (a) only upon receipt of written certification that the recipient does not have an account with a financial institution or an authorized payment agent.

(c) *Agency implementation plan.* If the head of an agency determines that the agency cannot make a Federal payment or class of Federal payment in accordance with § 208.3 (a) due to the inability of the agency's system to make the payment(s) by electronic funds transfer, then the agency shall notify the Service immediately in writing and shall submit an implementation plan to the Service no later than January 1, 1997. The plan shall:

§ 208.4

(1) Identify the specific type of payment(s) that cannot be made by electronic funds transfer;

(2) Describe the system problem that prevents the agency from making the payment(s) by electronic funds transfer; and

(3) Outline a proposed solution and provide a time table for solving the problem.

§ 208.4 Recipient responsibilities.

Each recipient of a Federal payment shall designate a financial institution or authorized payment agent through which a Federal payment may be made or certify in writing that such recipient does not have an account with a financial institution or an authorized payment agent; and provide the agency with the information requested by the agency in order to effect the payment.

APPENDIX A TO PART 208—MODEL CERTIFICATION

This appendix contains model language which may be used to qualify for a waiver under § 208.3(b). Use of the model language is optional. An agency may customize the model language by making appropriate changes.

Any payment that we make to you will be made by electronic funds transfer unless you certify in writing that you do not have an account with a financial institution or an authorized payment agent.

I certify that I do not have an account with a financial institution or an authorized payment agent.

Signature_____

PART 210—FEDERAL PAYMENTS THROUGH FINANCIAL INSTITU- TIONS BY THE AUTOMATED CLEARING HOUSE METHOD

Subpart A—General

Sec.

210.1 Scope of regulations.

210.2 Definitions.

210.3 Policy for payments by the Automated Clearing House method.

210.4 Recipients.

210.5 The Federal Government.

210.6 Federal Reserve Banks.

210.7 Financial institutions.

31 CFR Ch. II (7–1–97 Edition)

210.8 Prenotification.

210.9 Timeliness of action.

210.10 Liability of, and acquittance to, the United States.

210.11 Fraud.

Subpart B—Repayment of Benefit Payments

210.12 Death or legal incapacity of recipients or death of beneficiaries.

210.13 Collection procedures.

210.14 Notice to Account Owners of collection action.

210.15 Erroneous death information.

Subpart C—Discretionary Salary Allotments

210.16 General.

210.17 Criteria and standards.

210.18 Method of payment.

AUTHORITY: 5 U.S.C. 5525; 12 U.S.C. 391; 31 U.S.C. 321; and other provisions of law.

SOURCE: 52 FR 2406, Jan. 22, 1987, unless otherwise noted.

Subpart A—General

§ 210.1 Scope of regulations.

This part governs Federal Government payments (benefit and nonbenefit) made by the Automated Clearing House (ACH) Method through Federal Reserve Banks, and financial institutions to recipients maintaining accounts at financial institutions. It describes the procedures to be used, defines the obligations and responsibilities of the participants in ACH payments, and states terms of a contract between the Federal Government and those participants. It also prescribes the liabilities of financial institutions to the Federal Government arising from payments to deceased or incompetent recipients, and deceased beneficiaries of Federal benefit payments. Regulations promulgated by the Bureau of the Public Debt governing *Treasury Direct* payments made by the ACH Method for principal and interest on Government securities can be found at part 357 of this title; regulations promulgated by the Bureau of the Public Debt governing State and Local Government series payments made by the ACH for principal and interest on Government securities can be found at part 344 of this title.

[54 FR 20569, May 12, 1989]